INNOVATION
PORTFOLIO
MANAGEMENT
PLAYBOOK

Managing your innovation portfolio contributes to long term relevance and success of your organization. The portfolio management methods, tools, canvases, and definitions any corporate innovator needs to succeed.

Version 2.0

REVELX

CONTENTS

PS: Click on any chapter to jump directly there

Keep your eye open for updates of this playbook on our website: www.revelx.co

01

INTRODUCTION

REVELX

WE ARE REVELX

We help you realize growth through strategic innovation.

Innovation theory and methodologies are the easiest part of innovation. The hardest part is the execution within your organization. We ensure that innovation becomes a systematic and supported business process, adapted to the specific characteristics and DNA of your organization. We make it stick! That's how we distinguish ourselves. We make innovation contribute to your business objectives.

We are a team of senior growth entrepreneurs. A collection of curious minds and diverse personalities. Based in Amsterdam, we are proud to partner with our clients around the globe with a team of highly skilled and passionate professionals.

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WHY
WE WROTE THIS

Effective portfolio management is a precursor for innovation success. We created this playbook to help you succeed in designing your innovation portfolio, managing your funnel, reporting on your innovation portfolio, and making stage-gate decisions. By providing you with a set of proven methods, frameworks and tools you can deploy within your organization today.

WHAT
WE WILL COVER

We will introduce you to innovation portfolio management and why it matters, explore our stage gate framework (ideate - validate - scale-up), and dive into the 6 building blocks on how to create a good innovation funnel. As a bonus, we give you some references to innovation tools and interesting webinars if you want to learn more about a specific topic.

HOW
YOU CAN READ IT

The playbook is structured around the RevelX innovation stage gate framework. You don't have to read it from start to end, as you can jump straight to those topics which have your interest. But if you wish to cover everything at once, you are more than welcome to read it like a book.

Keep your eye open for updates of this playbook on our website: www.revelx.co

02

DEFINING PORTFOLIO MANAGEMENT

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THE BENEFIT OF EFFECTIVE PORTFOLIO MANAGEMENT?

The added value of innovation portfolio management when well performed:

» Create alignment between company strategy and your innovation pipeline

» Balance your portfolio between horizons, technology maturity, and change impact

» Focus scarce resource on priority projects to maximize value creation

» Create clarity for your innovation teams on what they need to do to make it to the next stage

» Shorten the time to market by setting targets for stage gates

» Less hobby horses and dead horses in your portfolio

Recent research by Accenture confirms that companies, who govern innovation portfolio management extensively, delivered up to two times more revenue / value growth compared to those following an ad-hoc approach to portfolio management.

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WHY INNOVATION PORTFOLIO MANAGEMENT MATTERS

Based on our extensive innovation research, which has included participation from over 500 companies spanning various sizes and industries, it has come to our attention that innovation portfolio management ranks as the least mature practice among the seven areas assessed in our benchmark.

Only 33% of companies monitor the performance of innovations

RevelX IRB research shows that only 33% of the companies in our benchmark closely monitor the performance of innovation projects on well-defined metrics. Only 39% of the companies in our benchmark quickly stop with projects that shows no viability.

3%
of the low performers is good at innovation portfolio management

16%
of the average performers is good at innovation portfolio management

51%
of the high performers is good at innovation portfolio management

Scope of the RevelX Innovation Readiness Benchmark

Disruption risk and sources of disruption

- Innovation strategy
- Customer centricity
- Organizational agility
- Innovation portfolio management
- Organization of innovation
- Innovation skills and competences
- Innovation culture and leadership

Innovation performance

LEARN MORE AND PARTICIPATE IN THE BENCHMARK

CLICK HERE

03

DESIGNING YOUR
INNOVATION
PORTFOLIO

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DESIGNING YOUR INNOVATION PORTFOLIO

Now that we have gained an understanding of the significance and purpose of portfolio management, let us delve deeper into the first subject: designing your innovation portfolio.

To achieve excellence in innovation, it is crucial to examine both internal and external factors that require enhancement in order to fortify your innovation capabilities. Within our RevelX Innovation Strategy Playbook, we explore four essential facilitators: portfolio management, innovation organization, innovation process, and competence, culture, and leadership. This playbook provides insights in an efficient framework for effectively managing your innovation portfolio, as well as guidelines for evaluating your projects across the six stages of the innovation process.

DOWNLOAD THE INNOVATION STRATEGY PLAYBOOK

CLICK HERE

* Interested to learn more about innovation strategy, innovation portfolio management or organization for innovation? Click here to go to different webinars.
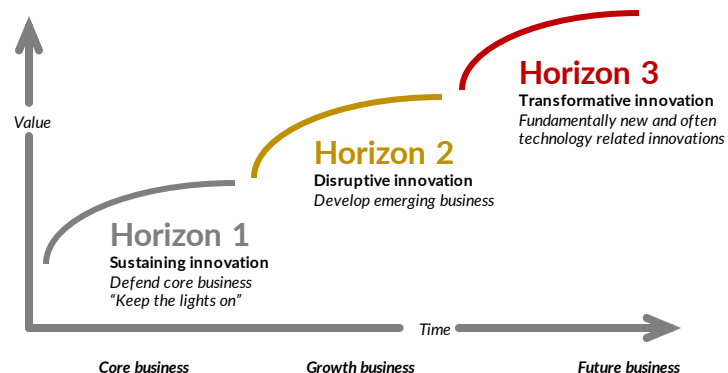
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TAKE INTO ACCOUNT DIFFERENT HORIZONS

Innovation projects differ in terms of size and impact on the business. A popular way of segmenting innovation projects in a portfolio is the 3-horizon model that identifies the impact on the business over time.

BALANCING SHORT AND LONG TERM PERSPECTIVES

The division of projects between horizons depends on your current market position, and the level of disruption that you face in your industry. With lots of disruptive elements many horizon 1 endeavors just simply don't cut it. Equally, you do not want only horizon 3 projects because of their risk profile. Your business needs to survive the short and mid term as well. So, the balance lies in delivering short-term success in innovation and at the same time working on projects that support your long-term vision.

EACH HORIZON REQUIRES SPECIFIC CAPABILITIES

Value

Horizon 3
Transformative innovation
Fundamentally new and often technology related innovations

Horizon 2
Disruptive innovation
Develop emerging business

Horizon 1
Sustaining innovation
Defend core business
"Keep the lights on"

Time

Core business | Growth business | Future business

Horizon 1	Horizon 2	Horizon 3	
Sustaining innovation *Defend core business* *"Keep the lights on"*	**Disruptive innovation** *Develop emerging business*	**Transformative innovation** *Fundamentally new and technology related innovations*	
• Proven technology • Known • Short time-to-market • Direct business impact • Fast-track process	• Existing technology • New • Mid time-to-market • Disrupt business • Validation needed	• New unproven technology • New to industry • Long time-to-market • Transform business • Complex concepts	**Characteristics**
• Clear vision • Core focus • Market insights • Goal oriented leadership	• Ideation • Design thinking • Prototyping • Speed to market	• Co creation • Open innovation • Exploring options • Emerging opportunities • Dealing with high uncertainty	**Required capabilities for innovation**

The 3 horizons model is a growth strategy framework by McKinsey that you can use to think about the future of your company

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BUILDING YOUR PORTFOLIO AROUND INNOVATION THEMES

In our Innovation Strategy Playbook, we introduced the RevelX Innovation Strategy Canvas and discussed the importance of defining the innovation themes on which you need to focus. Innovation projects should be directly linked to these strategic innovation themes and the ambition and objectives you have defined for each of them. The innovation themes eventually need to be fully covered by a healthy innovation pipeline:
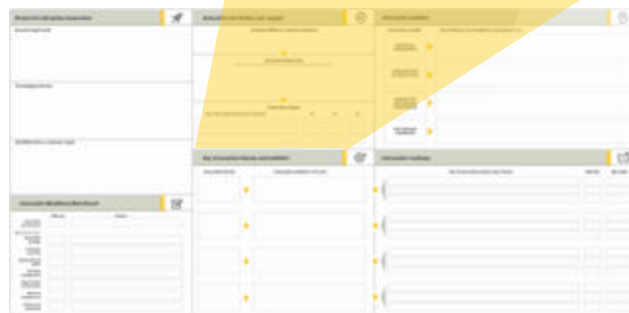
» With projects that cover all horizons

» With projects that cover all stages in the innovation process (see chapter 4)

DOWNLOAD THE INNOVATION STRATEGY CANVAS

CLICK HERE

REVELX INNOVATION STRATEGY CANVAS

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BALANCE BETWEEN THE EXPECTED VALUE AND LEVEL OF CHANGE CAPACITY

Another perspective for a good classification of an innovation portfolio is to look at the required level of change of the organization versus the expected value of the innovation.

» **Required level of change:** what resources, knowledge, other ways of working and people are needed to realize the innovation?

» **Expected value:** how large and broad is the realized value of the innovation for the organization?

It goes without saying that you would like to avoid too many projects in the low left-hand corner and in the right-hand high end of the matrix.

Size of the bubble indicates time to value

REVEL**X**
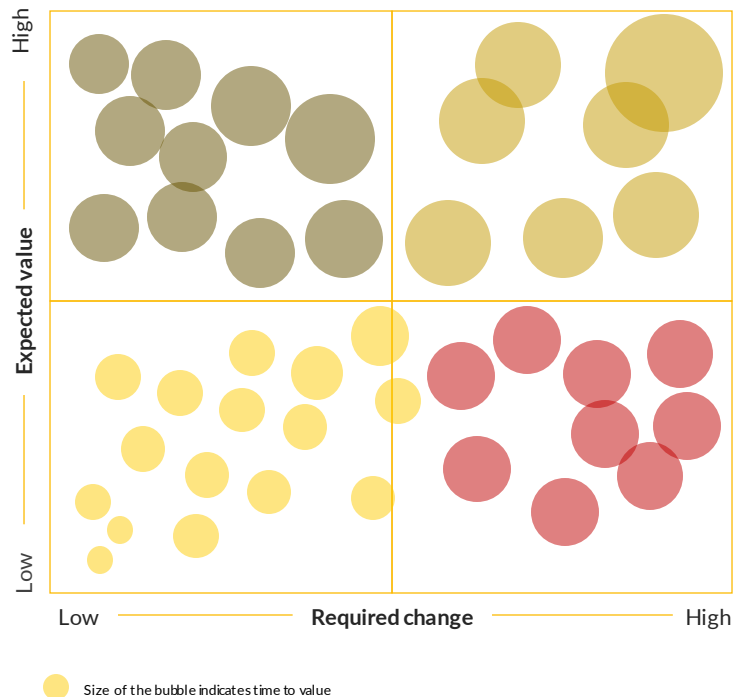
EVALUATING YOUR TOTAL PORTFOLIO

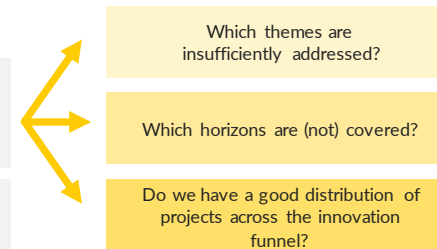The first step in building your portfolio is to evaluate your current innovation initiatives: are they good enough? There are three criteria your innovation initiatives must meet to make it into your innovation portfolio:

1. They qualify as actual innovation initiatives
2. They link to an innovation theme
3. The projects are deemed desirable and viable

Once the projects have been identified (ongoing and new initiatives) and the portfolio has been populated, we can start to evaluate the entire portfolio. Remember, most of the time, we do not start with a blank sheet; existing and new projects must be assessed in unison.

THREE LEVELS OF PORTFOLIO ASSESMENT

1	**Strategy alignment**	How does the portfolio fit with the innovation strategy?
2	**Value creation and return**	Does the portfolio deliver sufficient value?
3	**Execution**	Can we execute the portfolio with our current capabilities and capacity?

Which themes are insufficiently addressed?
Which horizons are (not) covered?
Do we have a good distribution of projects across the innovation funnel?

Keep doing this

» Be aware that good portfolio management is not a one-time effort

» You need to continuously evaluate your portfolio and identify gaps

» Ensure a steady influx of innovation ideas

» This is all about how you organize and embed innovation, which we have addressed in our webinar on Innovative Organizations

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PITFALLS WHEN PUTTING TOGETHER YOUR INNOVATION PORTFOLIO

Before you put your portfolio of strategic innovation projects together, you should be aware of several pitfalls that we come across in our practice. The pitfalls can be categorized as wrong projects, too many projects, unbalanced portfolios, and hobby or dead horses.

Pitfalls to avoid	
ACCEPTING WRONG PROJECTS	Putting operational, too incremental and departmental improvements in the portfolio
TOO MANY PROJECTS	Putting more strategic innovation projects in the roadmap than you can possibly manage
UNBALANCED PORTFOLIO	Too many projects in either one of the three horizons or unbalanced in the different stages. An innovation portfolio needs both short-term and long-term successes and speed of delivery
HOBBY AND 'DEAD' HORSES	And yes, they still exist. The projects of which everybody knows they will never deliver but somehow just keep going.

04

MANAGING YOUR INNOVATION FUNNEL

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MANAGING YOUR
INNOVATION PROCESS

The second focus area of this playbook revolves around effectively managing your innovation process. The innovation process encompasses a series of actions undertaken between the conception of an idea and its actual implementation or expansion within a business. By adopting a step-wise, or funneled, approach to managing this process, you can reduce time-to-market and allocate limited resources towards prioritized innovation projects, ultimately maximizing value creation.

Our research reveals that merely 39% of companies in our benchmark promptly terminate projects that demonstrate no viability, instead choosing to concentrate efforts on projects that possess genuine potential for success. Alarmingly, over 50% of the companies in our benchmark neglect the utilization of data-driven go-no-go decisions during the innovation process.

52%
of companies do not use data to make go-no-go decisions during the innovation process

* Need help with structuring your innovation process? We have a dedicated webinar on disruption and disruptive innovation. Click here to go to the webinar.
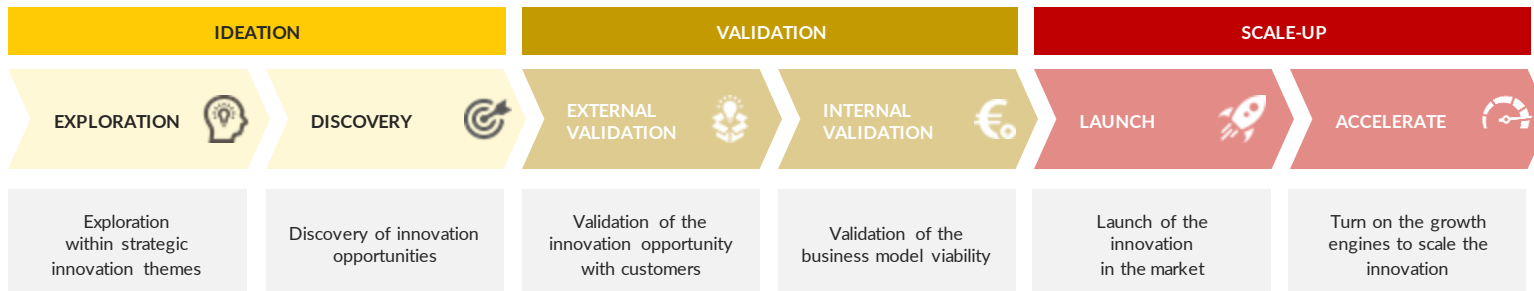
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WHAT IS AN INNOVATION FUNNEL?

There are many examples of innovation funnels, most of them are based on the same principles. The basic principle behind an innovation funnel is to manage your innovations in a structured way with well defined criteria from a rough idea to a product or service that generates value for your customers.

Based on years of experience and research we have developed our own best practice model for managing your innovation funnel and portfolio: the RevelX Innovation Portfolio Management Framework

Aligned with the three innovation challenges (ideate, validate, scale) we identify six primary stages any innovation project will traverse.

DOWNLOAD THE FULL
INNOVATION PORTFOLIO
MANAGEMENT
FRAMEWORK

CLICK HERE

IDEATION		VALIDATION		SCALE-UP	
EXPLORATION	DISCOVERY	EXTERNAL VALIDATION	INTERNAL VALIDATION	LAUNCH	ACCELERATE
Exploration within strategic innovation themes	Discovery of innovation opportunities	Validation of the innovation opportunity with customers	Validation of the business model viability	Launch of the innovation in the market	Turn on the growth engines to scale the innovation

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INNOVATION
STAGES AND
STAGE GATES

To effectively manage your innovation funnel, it is crucial to grasp the distinction between innovation 'stages' and 'stage gates'.
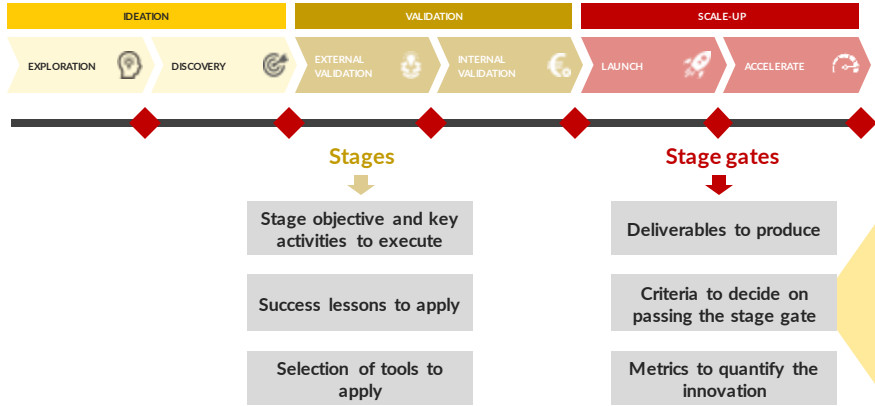
IDEATION	VALIDATION	SCALE-UP

EXPLORATION	DISCOVERY	EXTERNAL VALIDATION	INTERNAL VALIDATION	LAUNCH	ACCELERATE
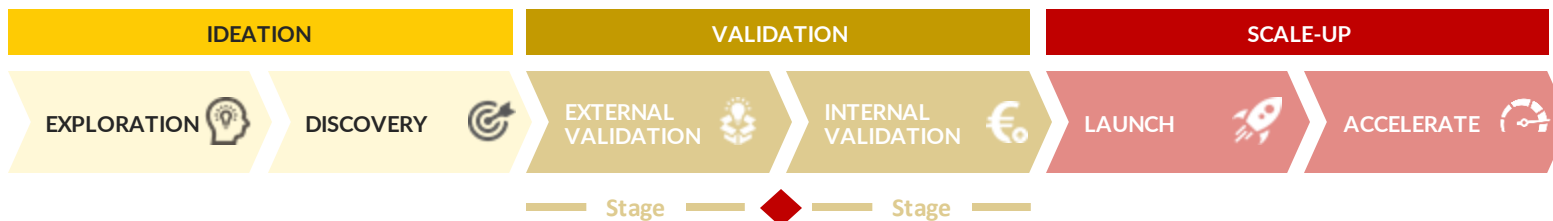
Stage   **Stage gate**   **Stage**

A stage is a phase in the innovation process in which you work on a set of defined deliverables that support the objective of that phase

A stage gate is a decision making moment at the end of a stage in which you decide whether the deliverables of that stage meet the criteria that have been defined to proceed to the next stage.

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IDEATION	VALIDATION	SCALE-UP
EXPLORATION	DISCOVERY	EXTERNAL VALIDATION	INTERNAL VALIDATION	LAUNCH	ACCELERATE

Stages

Stage gates

Stage objective and key activities to execute

Deliverables to produce

Success lessons to apply

Criteria to decide on passing the stage gate

Selection of tools to apply

Metrics to quantify the innovation

Stage gate specific criteria	A limited number of criteria which link to the objective of that stage.

Generic criteria	**Legal**	Is it allowed within the current legal framework?
	Privacy	Does it fit within the current privacy rules?
	Ethics	Is it allowed within our norms and values system?
	Sustainability	Is the people, planet, progress impact clear?

Project management criteria	**Resourcing**	Is the team for the next stage available?
	Planning	Is the planning for the next stage realistic?
	Budget	Is the budget for the next stage secured?

STANDARD FORMAT FOR THE INNOVATION STAGES AND STAGE GATES

We will now have a closer look how you can tailor the stage gate model to your situation: What is the stage objective? What are the deliverables? and which criteria can be used to assess the results of a stage? There are three types of criteria, stage gate specific, generic and project management criteria. Remember: stage gates are 'yes or no' decision making points. You **must** kill innovation projects in the process. It's called a funnel, not a tunnel!*

* Quote by Tendayi Viki, Pirates in the Navy

TAILORING THE STAGE GATE MODEL TO YOUR ORGANIZATION

In order to make this model work for your organization, you must tailor it to your situation. It is important to build your own language and protocols around innovation and determine which principles apply.

Use our previous playbooks on the innovation process and innovation strategy as a guide to develop your own approach. There is no 'one size fits all' for innovation. You must craft your own process and way of working. We distinguish four elements you must specify for your organization.

Stage objective	Deliverables to be produced	Criteria for passing the stage gate	Tools to apply
What to do: Create a clear description of the objective of each stage in the innovation funnel	What to do: Create an overview of deliverables to be produced by the innovation team to pass the stage	What to do: Develop stage-specific criteria to be applied to the innovation projects	What to do: Define which tools should be applied in the specific stage gate to further develop the innovation
Example for Exploration: *Identify innovation opportunities that are potentially interesting to pursue and make a high-level assessment to prioritize them*	Example for Discovery: » *Definition of the target market* » *Validated problem statement* » *Potential assessment of innovation opportunity*	Example for External Validation: » *Problem - Solution fit* » *Solution - Market fit* » *Turnover potential*	Example for Launch: » *Growth experiment canvas* » *Lean Analytics Roadmap* » *Scale-up plan*

DOWNLOAD PLAYBOOKS AND TOOLS FROM THE GROWTH WAREHOUSE FOR SUPPORT

CLICK HERE

Don't forget to consider AI tools to support you in your innovation journey! Check out our updated Innovation playbook for guidance!

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OVERALL INNOVATION PERFORMANCE **METRICS**

When managing your portfolio, you do not only look at the individual stages, but also at your overall innovation portfolio metrics. Some examples of innovation performance metrics you can find below:

There are two types of overall metrics:

» Effectiveness of the innovation process

» Performance of innovation projects

EFFECTIVENESS OF THE INNOVATION PROCESS

| Time to market (in months/years) |
| Number of projects in the stage |
| Stage gate passing rates (in %) |
| Value development (in €) |
| Organizational Involvement (in %) |
| Learning velocity (e.g. # training) |

PERFORMANCE OF INNOVATION PROJECTS

Planning status (traffic light)	Are innovation projects running according to plan?
Resources availability	How many projects are well resourced?
Budget (in €)	How many projects run on budget ?

05

REPORTING ON YOUR INNOVATION PORTFOLIO

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HOW TO KEEP TRACK OF YOUR INNOVATION PORTFOLIO?

Reporting plays a pivotal role in portfolio management, and automated tools can assist you in this regard. For companies that take their innovation endeavors serious, software tooling has become essential. It is part of your primary business processes. However, it's important to remember that these tools are a means to an end, and caution should be exercised to prevent reporting from becoming a goal in itself.

The main objective is to monitor the performance of your innovation projects and the progression of your portfolio over time. Moreover, a significant advantage is the ability to make well-informed decisions regarding your portfolio by leveraging actionable insights.

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REPORTING ON
INNOVATION PROJECTS

In terms of reporting, we would recommend that you present a few key variables on your project portfolio:

» Basic project information

» The stage the project is in and the expected date for the next stage gate and how that differs from the planning

» The general performance of your project on planning, deliverables and resources

» The strategic value of the project: which horizon is covered and how well does it fit with your innovation themes

» And finally, some key business case data

Using a portfolio management tool has as a key advantage that the project data is stored centrally and prevents lots of Excel sheets or PowerPoint files being sent around.

Project description					Stage planning									Project performance					Strategic value				Business case	
				Ideate		Validate		Scale											Horizon			Fit with theme		
Theme	Project Name	Project summary	Project leader	Explore	Discover	Internal	External	Launch	Scale	Next SG date	Market launch date	Deliverables	Planning	Budget	Resources	Overall	1	2	3		Investment	NPV
Theme 1	Project 1	project description								mrt-22	jun-22	●	●	●	●	●	1			◐	100	400
Theme 1	Project 2	project description								apr-22	aug-22	●	●	●	●	●	1			◐	200	500
Theme 1	Project 3	project description								apr-22	jan-23	●	●	●	●	●	1			◕	na	na
Theme 2	Project 4	project description								jun-22	jan-23	●	●	●	●	●		2		◕	na	na
Theme 2	Project 5	project description								apr-22	May 22	●	●	●	●	●	1			●	100	50
Theme 2	Project 6	project description								dec-22	-	●	●	●	●	●		2		◐	1000	300
Theme 2	Project 7	project description								apr-22	dec-22	●	●	●	●	●	1			◔	?	?
Theme 3	Project 8	project description								aug-22	jun-23	●	●	●	●	●			3	●	1500	1000
Theme 3	Project 9	project description								jun-22	dec-22	●	●	●	●	●	1			●	40	50
Theme 3	Project 10	project description								May 22	nov-22	●	●	●	●	●	1			●	140	200
Theme 3	Project 11	project description								sep-22	okt-22	●	●	●	●	●	1			◔	40	50
Theme 3	Project 12	project description								dec-22	-	●	●	●	●	●	1			◔	80	200
Theme 4	Project 13	project description								mar 22	dec-23	●	●	●	●	●		2		◐	200	300
Theme 4	Project 14	project description								jun-22	jan-24	●	●	●	●	●			3	●	1000	800

REPORTING ON THE
OVERALL PORTFOLIO

The data on the individual projects can then be rolled up in a portfolio summary.
This is an example which can be extended with the overall portfolio criteria we discussed earlier on.

The main purpose is to keep track of how your overall portfolio is developing by presenting this in a visual one-page summary, instead of a 30-page PowerPoint presentation. This typical Dashboard is often used by innovation governance entities like Growth Boards (see next chapter). This is an Excel-based example. Specialized tools will provide more and better visually appealing options.

Innovation portfolio summary	# projects	# projects per stage						# projects by horizon			# projects by status			Business case					
		Ideate		Validate		Scale								Investment by horizon					
		Explore	Discover	Internal	External	Launch	Scale	1	2	3	At risk	Issues	Ok	1	2	3	Total	NPV
Innovation theme 1	10	2	1	4	3			6	4	1	1	3	6	1.000	200	300	1.500	1.000
Innovation theme 2	6	4	2					6			2	2	2	400			400	200
Innovation theme 3	6	1	2	3				4	1	1			6	600	300	400	1.300	500
Innovation theme 4	3				1	1	1	3				1	2	100			100	300
Total portfolio	25	7	5	7	4	1	1	19	5	2	3	6	16	2.100	500	700	3.300	2.000

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PORTFOLIO
MANAGEMENT
TOOLING

*"PORTFOLIO REPORTING IS A PASSION OF THE FEW,
YOU BETTER MAKE IT AS SIMPLE AND EFFECTIVE AS
POSSIBLE"*

There are many innovation and portfolio management tools in the
market. Forrester has ranked (2021) innovation management tools
which clearly shows the likes of Planbox and Qmarkets to be leading.
Especially Qmarkets takes a holistic ecosystem approach to
innovation and portfolio management

When you are responsible for innovation in a more complex business
environment, these tools are great. For SMEs, smartly designed Excel
workbooks can also do the job. We have experience with both in
many different situations and use cases.

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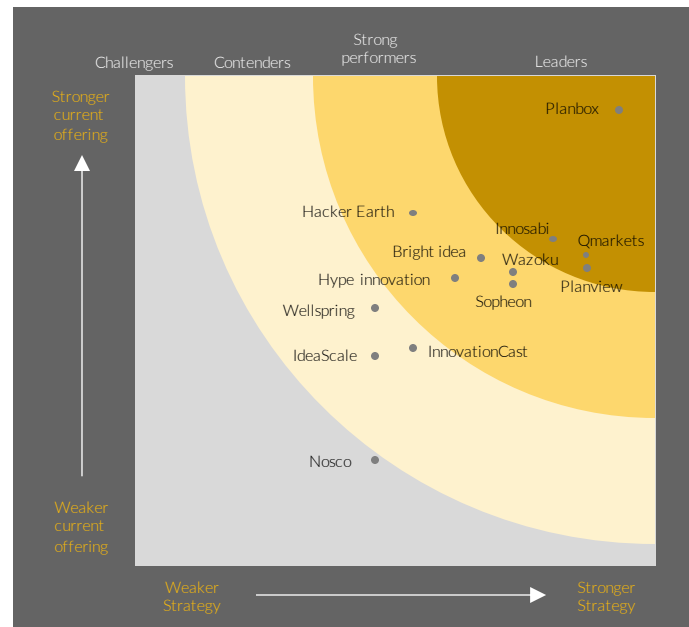
WHY USE AN AUTOMATED PORTFOLIO MANAGEMENT TOOL?

Clients often adopt automated tools for their portfolio management process when they recognize the necessity for enhanced professionalism. This requirement typically arises from the maturity, complexity, and volume of their innovation process and ventures. There are four benefits of using more advanced software tools.

Efficient

A streamlined and consistent innovation process for the whole organization, including smart repositories (history) dashboarding, and reports

Continuous

Proper innovation management calls for a continuous process from ideation to scale-up. From scouting for (technology) trends, to keeping track on the performance of your innovation projects and new enterprises and partnerships

Transparent

The process is clear and open for everybody whom it concerns. Decision making is stage gated and based on data and metrics. There is few room for individual thrills, gut feel and hobby horses (unless determined)

Collaborative

The software enables you to involve as many people as possible inside and or outside of your company. Access and governance is managed across departments, businesses, functions and external partners

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Qmarkets

REVELX PARTNERS WITH QMARKETS

RevelX partners with Qmarkets, one of the market leaders for innovation software solutions. On the right you find some of their highly configurable, expandable, scalable and mobile responsive modules.

Furthermore, the modules can integrate with over 300 other frequently used business applications in or outside your organization.

Q-need
Defines, collects and enriches the innovation use cases of your business; the problems to be solved

Q-trend
Provides relevant insights and innovation and technology trends for your strategy and scouting

Q-scout
Search and manage your (potential) partnerships and M&A portfolio for corporate venturing

Q-ideate
Find and manage internal and external ideas throughout its lifecycle, from conception to implementation

Q-optimize
Realize operational excellence and continuous improvement with more incremental innovations

Q-impact
Manage progress and impact of all innovation projects in detail

🎙 Listen to our podcast on end-to-end software solutions with the co-founder of Qmarkets here.

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Qmarkets

FEATURED APPLICATION:
Q-IMPACT

Q-impact is a module in the total Qmarkets suite which allows users to manage and track all innovation projects across the organization, engaging all relevant stakeholders, and allows to measure the impact and ROI of those projects.

Reporting on the project portfolio can be tailored to the needs of innovation leaders and managers to suit the various audiences.
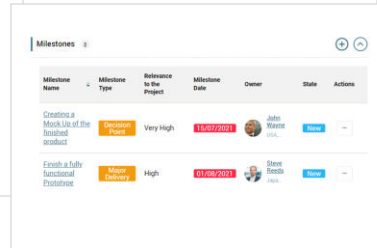
Read more about our experience and partnership with Qmarkets here.

IDEATION	VALIDATION	SCALE-UP

EXPLORATION	DISCOVERY	EXTERNAL VALIDATION	INTERNAL VALIDATION	LAUNCH	ACCELERATE
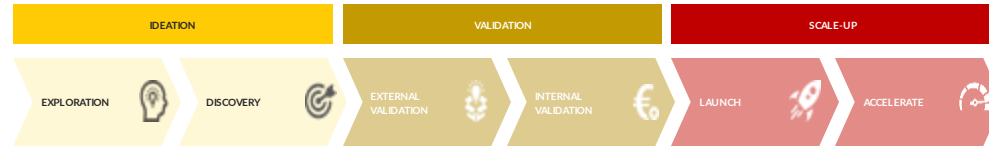
Manage the innovation pipeline ...

Evaluate all projects in the portfolio and communicate effectively to all stakeholders

... keep track of progress ...

Collaborate on projects, allocate tasks, and manage timelines and milestones

... manage project risks

Identify key risks and manage them per project and applicable owners

Qmarkets
Collective intelligence solutions

06

MAKING STAGE GATE DECISIONS

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HOW TO MAKE STAGE GATE DECISIONS?

In the previous section, we touched upon the different stages and criteria involved in stage gate decision making and the governance of the innovation funnel. An essential aspect of governance is entrusted to a Growth Board, comprising designated managers within your organization. These managers are responsible for determining the advancement of projects from one stage to another.

CHARACTERISTICS OF THE GROWTH BOARD

Cross-functional decisions
Board's should include members from all key stakeholder groups; anyone affected by the decision

Focused on value
A single problem area or goal focuses the Growth Board's activities and decisions

STRATEGY

GROWTH BOARD

METRICS

GOALS

Informed by data
Team presentations focus on evidence, learnings and provide context for conversation

Tackles the riskiest assumptions
Are these even the right problems to solve? How would we know?

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GROWTH BOARDS
THE 'WHY' AND ITS RESPONSIBILITIES

Innovation teams are moving over time through the funnel when they successfully demonstrate evidence. Based on this evidence, Growth Boards regularly review, discuss and ultimately support, fund or kill innovation initiatives. Innovation governance is the way to move projects through the innovation funnel.

The Growth Board makes intentional decisions about the progress on innovation efforts, based on the evidence the teams present. They are also the gatekeeper of 'the quality and quantity' of the funnel. What comes in and what comes out. Based on the company's innovation strategy.

Why should you have a Growth Board?

» Establish and secure business ownership of the innovation challenge

» Accelerate the demonstration of value

» Enable collaboration and consultation (vertical and horizontal)

» Instill a more entrepreneurial, venture capital and growth mindset in the organization

» Make better, collaborative, and faster decisions based on data

» Achieve better results and mitigate risks

» Create an aligned portfolio with clear project synergies

» Serve as ambassadors for innovation

Key responsibilities of a Growth Board

» Stage gate innovation framework ownership

» Stage gate management and decision making (including escalations)

» Portfolio selection & management; create oversight

» Capturing new business needs from inside and outside of the company

» Creating engagement and marketing of the problem space and the funnel of projects to drive traction

» Central 'clearinghouse' of information and progress

» Funding of initiatives through metered funding

» Stakeholder management

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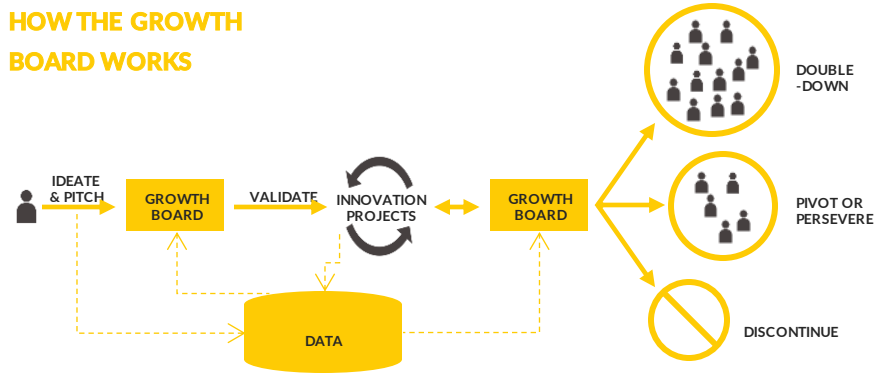# DATA DRIVEN
DECISION MAKING

Making objective decisions about innovation in a corporate setting requires data and a data driven mindset. Applying lean startup techniques in your innovation process means you will gather and assess a lot of data.

The whole act of experimentation means you are looking for evidence (data) to validate your assumptions. Even when equipped with data, decision making in an organization is often fraught with cognitive biases which are counter productive in many cases, and outright dangerous in others. When making decisions about innovation make sure you recognize the common cognitive biases and address them in your organization (see our Innovation Playbook).

Key activities to make data driven decisions:

» Adopt a data driven mindset

» Use the evidence from experiments

» Mind your biases

HOW THE GROWTH
BOARD WORKS

IDEATE & PITCH

GROWTH BOARD

VALIDATE

INNOVATION PROJECTS

GROWTH BOARD

DATA

DOUBLE-DOWN

PIVOT OR PERSEVERE

DISCONTINUE

OUR INNOVATION PLAYBOOK DESCRIBES THE MOST COMMON BIASES FOUND IN ORGANIZATIONS

CLICK HERE

07

SUCCESS
FACTORS

KEY SUCCESS FACTORS PER STAGE

In our approach we always apply several success lessons. Adopting them will
enable you to rapidly develop your innovation portfolio per stage and to
avoid a lengthy low energy and inefficient process.

Stage	IDEATION		VALIDATION		SCALE-UP	
	EXPLORATION	DISCOVERY	EXTERNAL VALIDATION	INTERNAL VALIDATION	LAUNCH	ACCELERATE
Key Success factors	Take an outside-in perspective by starting with external trends and customer needs	Validate the problem to solve with actual customers (and not with internal people)	Think in terms of the value that the product or service delivers for customers when defining the value proposition	Be prepared to still make quite fundamental pivots if needed (because this will be more expensive in the scale-up phase)	Use (growth hacking) experiments to gain traction quickly	Make sure you focus the efforts and investments on the growth engines with the largest potential
	Think beyond your current core business definition	Set your own assumptions aside when validating the problem statement with customers	Avoid significant investments in this phase and use an MVS instead of a fully developed solution to validate	Develop a business model with operational processes that are scalable in the future (not just for the launch phase)	Implement effective and relevant metrics to monitor the performance during scale-up	Transfer responsibilities in time and in line to prevent an innovation in 'no man's land'
	Aim to cover all three innovation horizons when brainstorming on innovation ideas	Adjust and improve the innovation idea based on the insights that are developed on the customer problem to solve	Make sure you validate the value propositions with customers that fit the target segment	Make sure to involve the relevant internal stakeholders when developing the business model to ensure its feasibility	Plan the transition "from lab to fab" carefully and build commitment (to avoid the "not invented here" problem)	Solve 'growing pains' in multidisciplinary teams and keep on building, measuring and learning

08

SO, NOW WHAT?

REVEL**X**

START IMPROVING YOUR PORTFOLIO MANAGEMENT

We trust that this playbook has motivated you to commence your journey in innovation portfolio management and decision-making process. At RevelX, we have successfully developed two approaches to get you started (more information on the next page):

Portfolio Management Design Sprint, is a condensed sprint session in which we work with your team to design an effective portfolio management process from scratch.

Portfolio Management Review Workshop. At the heart of this workshop is a comparison of your existing process with our benchmarks, culminating in suggestions and advice for improvement.

While both propositions focus on 'the engine' and how to make it run smoothly, it is also important to consider the outcomes it generates: the innovation performance. Can the engine take us over the finish line and win prizes? This question deals with the input, throughput, and output of portfolio management. We address this challenge in our **Innovation Strategy Playbook**

Want to know more?

GIVE US A CALL

REVEL**X**

DESIGN AND IMPROVE YOUR PROCESS

There are two main ways to approach improving your portfolio management process.

The first is a greenfield approach- starting from scratch as if there were no existing innovation process in place.

The second option is based on a review process- taking your current innovation management process as a starting point and comparing it to RevelX's best practices.

We offer two modules to help with this: the **Portfolio Management Design Sprint** and **Review Portfolio Management Workshop**.

DESIGN SPRINT

The Portfolio Management Design Sprint is a 2–3-day pressure cooker approach:

1. The basis of the design sprint is a 'blank sheet of paper' approach. Like an architect that designs a new building

2. Off course we take into account the 'lessons learned' from the past in the organization; the pitfalls to avoid and the successes to enhance

3. RevelX will bring in its best practices, developed over 15 years of research and working with clients in all sizes and industries and automated tooling (if applicable) to further professionalize the way of working

4. The result is a new bespoke innovation portfolio management process, including proper governance and decision making

REVIEW WORKSHOP

The Review workshop will take your existing portfolio management process as a starting point. In a couple of highly interactive sessions with your innovation team, we will challenge your process using our best practices. We will start by reviewing the overall framework, then move on to the base step/gate design. Next, we will discuss the objectives per stage, the criteria for passing gates, and the deliverables to be produced. Finally, we will establish performance metrics to measure success.

For governance, we will do the same and compare it against our Growth Board best practice principles: composition, responsibilities, process, way of working, and hygiene factors.

Want to know more?

BOOK A MEETING NOW

REVELX

Radboud umc

PORTFOLIO
MANAGEMENT
IMPROVEMENT

Radboud UMC is one of the leading university medical centers in Europe.

RevelX was asked by the innovation leadership to review and benchmark their innovation portfolio management process and to give advice on improvements.

The client

Radboudumc is a university medical center located in the East of the Netherlands. Their mission is to have a significant impact on health & healthcare. They aim to be a front runner in the development of sustainable, innovative, and affordable healthcare.

The challenge

Radboudumc Health Innovation Labs (HIL) have successfully developed various innovations over the years. However, to stay ahead of the game, the HIL management team felt the need to benchmark their stage gated process model and specifically improve on prioritization and evidence-based decision making.

The solution

In close collaboration with management and innovation leads, we critically reviewed the current innovation process.
We discussed the major pain points, suggested improvements and co-designed the ideal, yet not existing, governance structure.

The result

The result of the review and co-design sessions was an adjusted innovation portfolio management process.
One of the major adjustments was to incorporate more explicit (passing) criteria and metrics per stage of the funnel. The process was also made applicable for all the innovation endeavors of Radboudumc.

"We were impressed by how quickly RevelX pin-pointed our blind spots and we were able to make major improvements thanks to their bold and thorough advice."
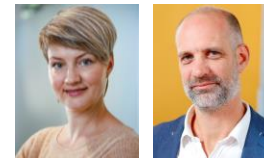
Leanne van Almen & Martijn de Groot, Management team Radboudumc Health Innovation Labs

REVELX

REQUIRE FURTHER **ASSISTANCE**?

You're more than welcome to contact us for a FREE 30 minutes **Innovation Consult.**

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matthijs@revelx.nl

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BONUS: FREE INNOVATION CANVASES AND WEBINARS

REVELX

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FREE
INNOVATION
CANVASES

DOWNLOAD YOUR FREE

INNOVATION CANVASES

CLICK HERE

Growth Strategy Canvas

If you really want to reach growth make sure you have a clear strategy.

Persona Canvas

Start to think about who you're doing it for and find what drives your persona's.

Lean Analytics Roadmap

Define what features you should add, identify when to add those features.

Customer Journey Canvas

How does your customer behave? Use the Customer Journey to define your companies opportunities.

Growth Experiment

Define the goals of your experiments and how they fit in the marketing funnel.

MVP Feature Canvas

Building an MVP is great way to validate your product idea.

Business Model Canvas

Classic. Define how you're business is going to thrive.

Value Proposition Canvas

Make sure you create a product people actually want.

AND MORE...

REVEL**X**

FREE ON DEMAND
WEBINARS

In our webinar series we cover a range of innovation challenges.
You can watch these webinars on demand via our website.

If you want more inspiration on innovation strategy, including
examples from real life cases, we recommend the Innovation
Strategy and Roadmap webinar.

**WATCH OUR WEBINARS
ON INNOVATION**

CLICK HERE

Webinar series on the three innovation challenges:
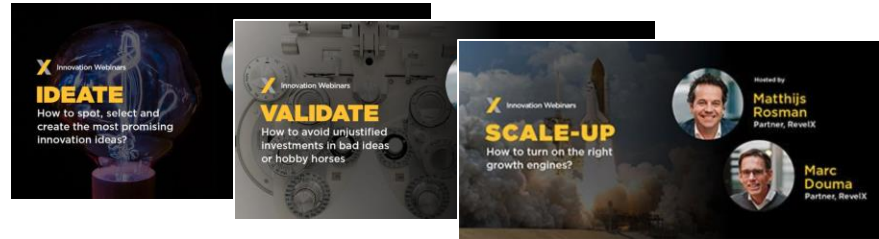
Webinar series on becoming a best-class-innovator: